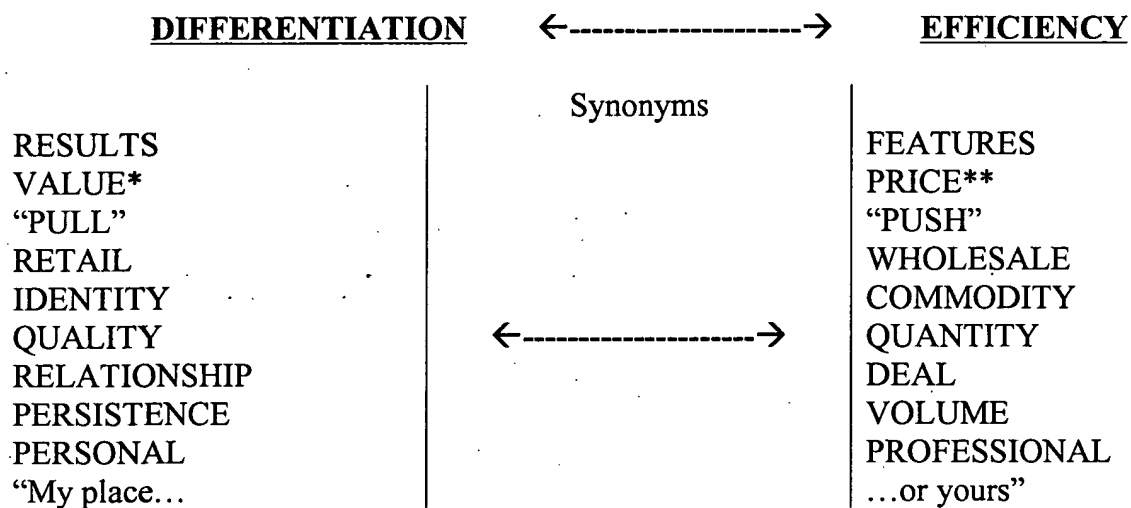


FIG. 1

# PowerView™ Strategic Analysis

## “STRATEGIC SYNONYMS”: Strategic Analysis for Real People

The Strategic Objective in PowerView is a complicated derivation of tactical analysis. To quickly get a “feel” for it’s position, consultants have conversations with members of management and they listen for these (opposing) terms. They, and now you, can quickly get a pretty good idea of the Objective, and of the Focus, too.



As an example, instituting a volume-based incentive compensation system weakens a “Differentiation” strategy; employees should instead be rewarded for client retention (persistence).

*\*Better*

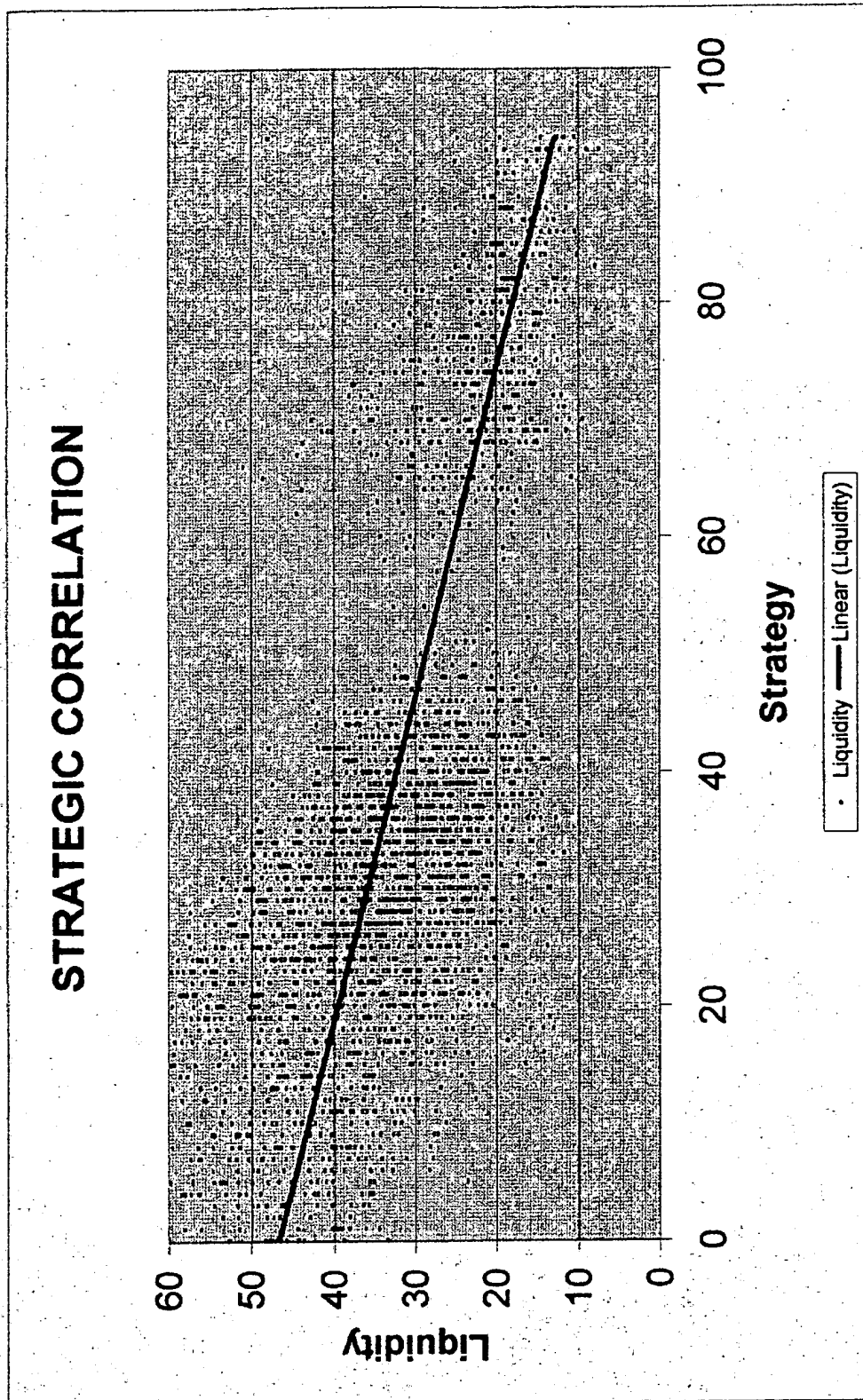
*\*\*as good, but Cheaper*

FIG. 2

<b>STRATEGIC SURVEY</b> Identify the optimal Strategic Index for your Institution <small>©2007 PQMR Research</small>		By marking one box on each line, indicate the direction your business should go to achieve long-term success.					So, our Strategic "Keyword" is:		Prospective clients choose us over our competitors because.....
		Strongly Agree	Agree	Disagree	Strongly Disagree	Agree	Disagree	So, our Strategic "Keyword" is:	Prospective clients choose us over our competitors because.....
Prospective clients choose us over our competitors because.....  Our products are very flexible.  Our prices can't be beaten, for what we offer.  We aggressively advertise our benefits.  The market knows we are strong and trustworthy.  We meet each client's special needs.  We measure and reward repeat business.  We take care of clients as friends.  Our important business is done outside our offices.  Our strength is a valuable asset to our clients.  We focus on one-on-one business development.  We diversify to control risk.  We are able to design a product for each client.	Features	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Results	We help clients achieve their goals.
	Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Value	Our clients always get their money's worth.
	"PULL"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	"PUSH"	Our professionals take our products to the market.
	Identity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Commodity	The market is familiar with our products' benefits.
	Transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Relationship	"Once a client, always a client."
	Persistence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Volume	We are a deal-oriented institution.
	Personal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Professional	Our clients "hire" us, like a lawyer or doctor.
	Outside	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Inside	Our facilities are a key part of our marketing.
	Consumer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Business	We are a reliable partner in our clients' success.
	Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marketing	We have a broad market communication strategy.
Diversified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Skilled	We are skilled at managing risks, one at a time.	
Negotiation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Design	Our product line is complete, and "cutting edge".	

PQMR

FIG. 3



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**\* Base Period changes from Last Period to Current Period in "what-if" scenario ("?" in Date field). Focus box "shadow" shows *Strategic Drift*, or strategic impact of "what-if" changes.**



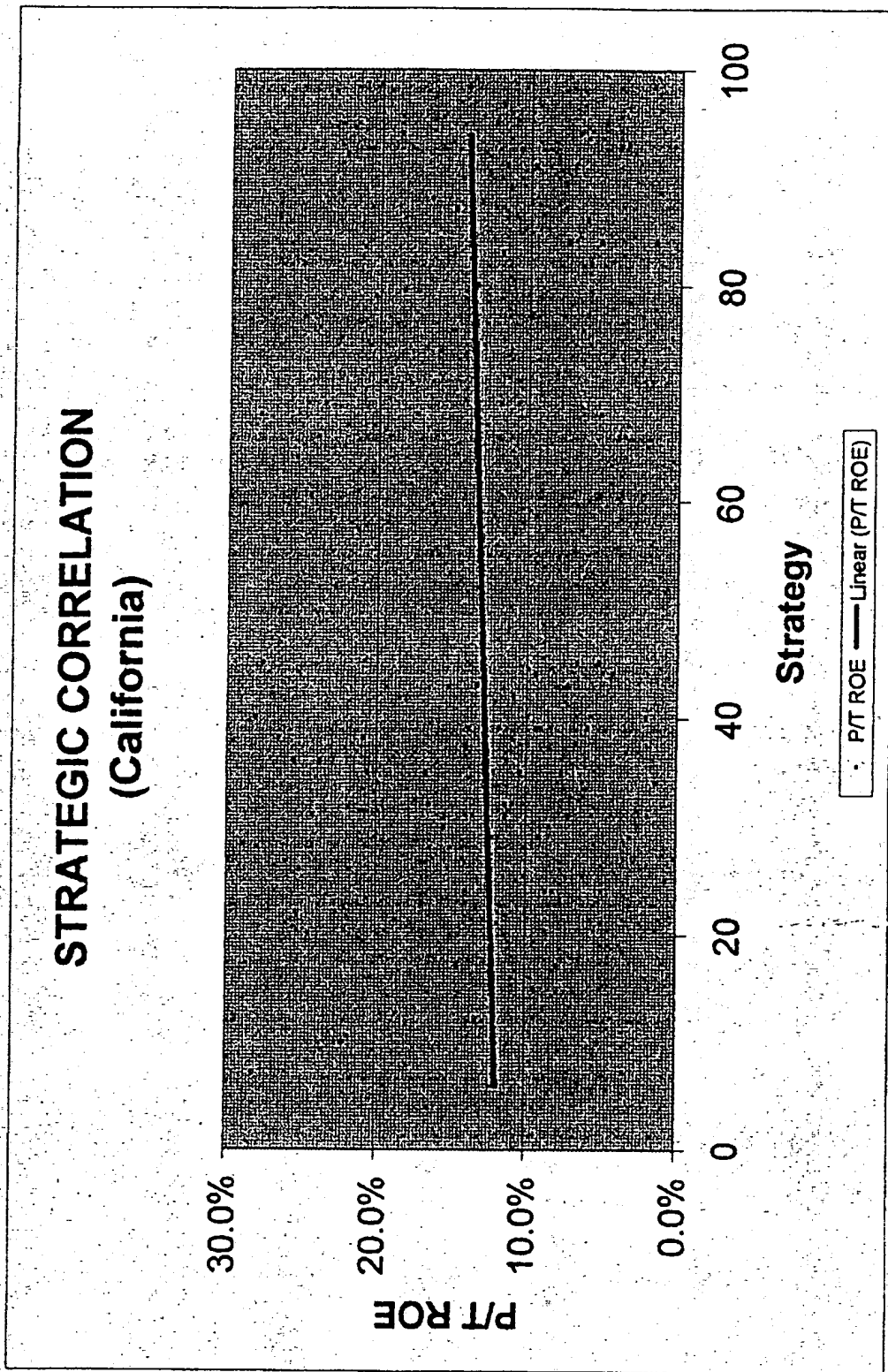
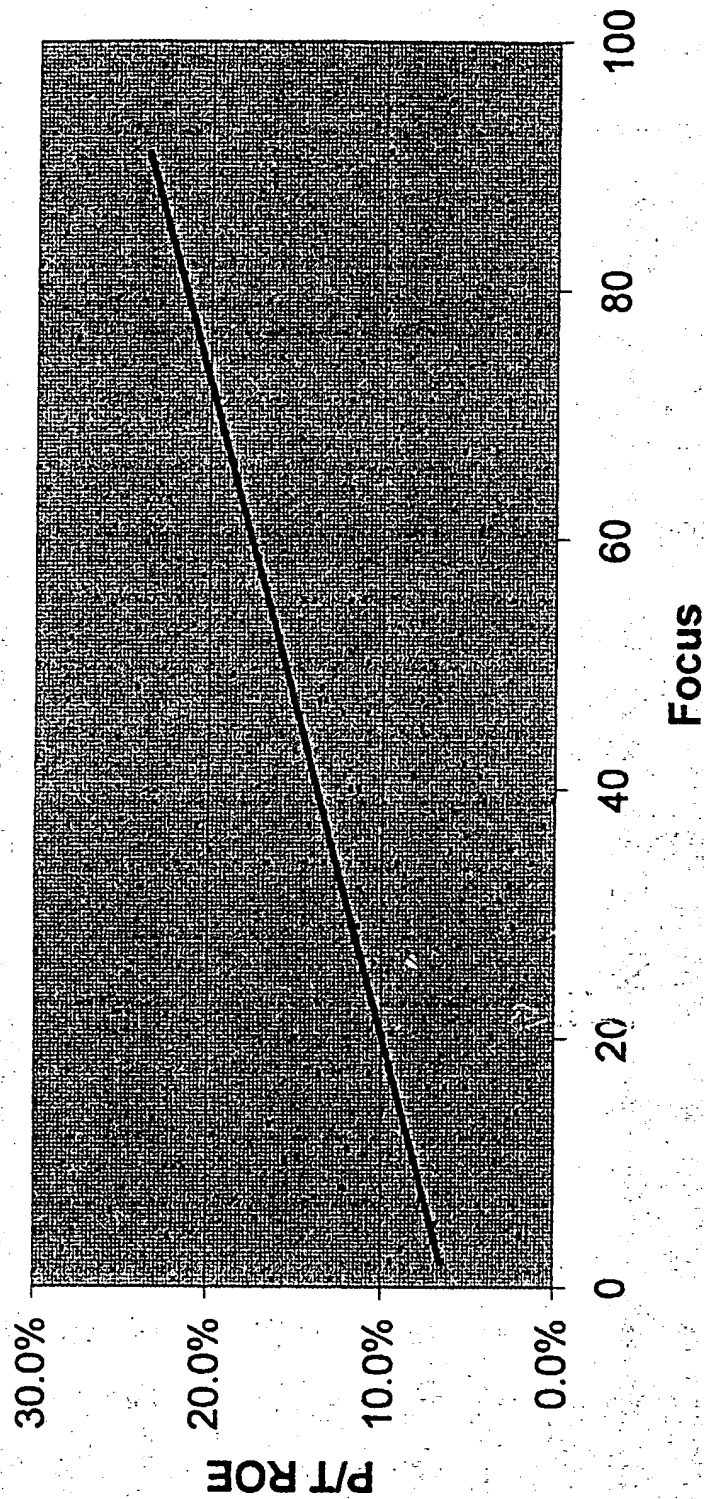


FIG. 5

# STRATEGIC CORRELATION (California)



STATISTICS	
Sample:	172
Date:	30-Jun-02
Strata:	<None>

CORRELATION DATA	
Intercept:	6.1%
Slope:	0.192%
Correl. Coefficient:	0.20

FIG. 6

FIG. 7

	Variable	FR<3m.	3m<FR<12m.	Total	
<b>Cash &amp; DFB (demand)</b>				18,165	<b>AFS</b>
CHANGE					CHANGE
NET				18,165	NET
<b>Interest-bearing Deposits</b>		0		0	<b>HTM</b>
CHANGE					CHANGE
NET		0		0	NET
<b>Investments - AFS</b>	6,000	2,963	10,889	87,073	
CHANGE	15,000	5,000	10,000	45,000	
NET	21,000	7,963	20,889	132,073	
<b>Investments - HTM</b>		0	0	0	
CHANGE					
NET		0	0	0	
<b>Loans</b>	146,087	97,681	21,930	281,919	
CHANGE	50,000	30,000	5,000	100,000	
NET	196,087	127,681	26,930	381,919	
<b>Other Assets</b>				10,044	
CHANGE		ROE Effect			
NET		8.0%		10,044	
<b>Fixed Assets</b>		\$4,038		10,573	
CHANGE				5,000	
NET				15,573	
<b>Core Deposits</b>	238,623	18,366	21,891	316,583	
CHANGE	50,000	15,000	10,000	75,000	
NET	288,623	33,366	31,891	391,583	
<b>Deposits &gt;\$100K</b>		19,937	13,730	37,281	
CHANGE		25,000	25,000	50,000	
NET		44,937	38,730	87,281	
<b>Borrowings</b>	0	55	23	78	
CHANGE				25,000	
NET	0	55	23	25,078	
<b>Other Liabilities</b>				3,646	
CHANGE					
NET				3,646	
<b>Capital &amp; Surplus</b>				23,395	
CHANGE					
NET				23,395	
<b>Undivided Profits</b>		ROE Effect		24,781	
CHANGE		8.05%			
NET		\$4,038		24,781	
<b>FAS 115 MTM</b>				2,010	
CHANGE					
NET				2,010	

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3Q2002(?)

### Example Bank 1

3Q2002(?)

<F>ocus (94)	
Vol. Liab./Inv.	
Liab. Cost Vol.	
Liab. Cost	
(Port. Mkt. Risk)	
Acct. IRR	
(Liquidity)	
Risk vs. Capacity	
Cost vs. Equity	

Value

## Price

### Strategic Market Position

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**Indicates Strategic Support**

Change from Base Period\*

**Indicates Variance from Strategy**

**(Liquidity)** *0* Indicates reciprocal scale

\* Base Period changes from Last Period to Current Period in "what-if" scenario ("?" in Date field). Focus box "shadow" shows *Strategic Drift*, or strategic impact of "what-if" changes.

FIG. 8



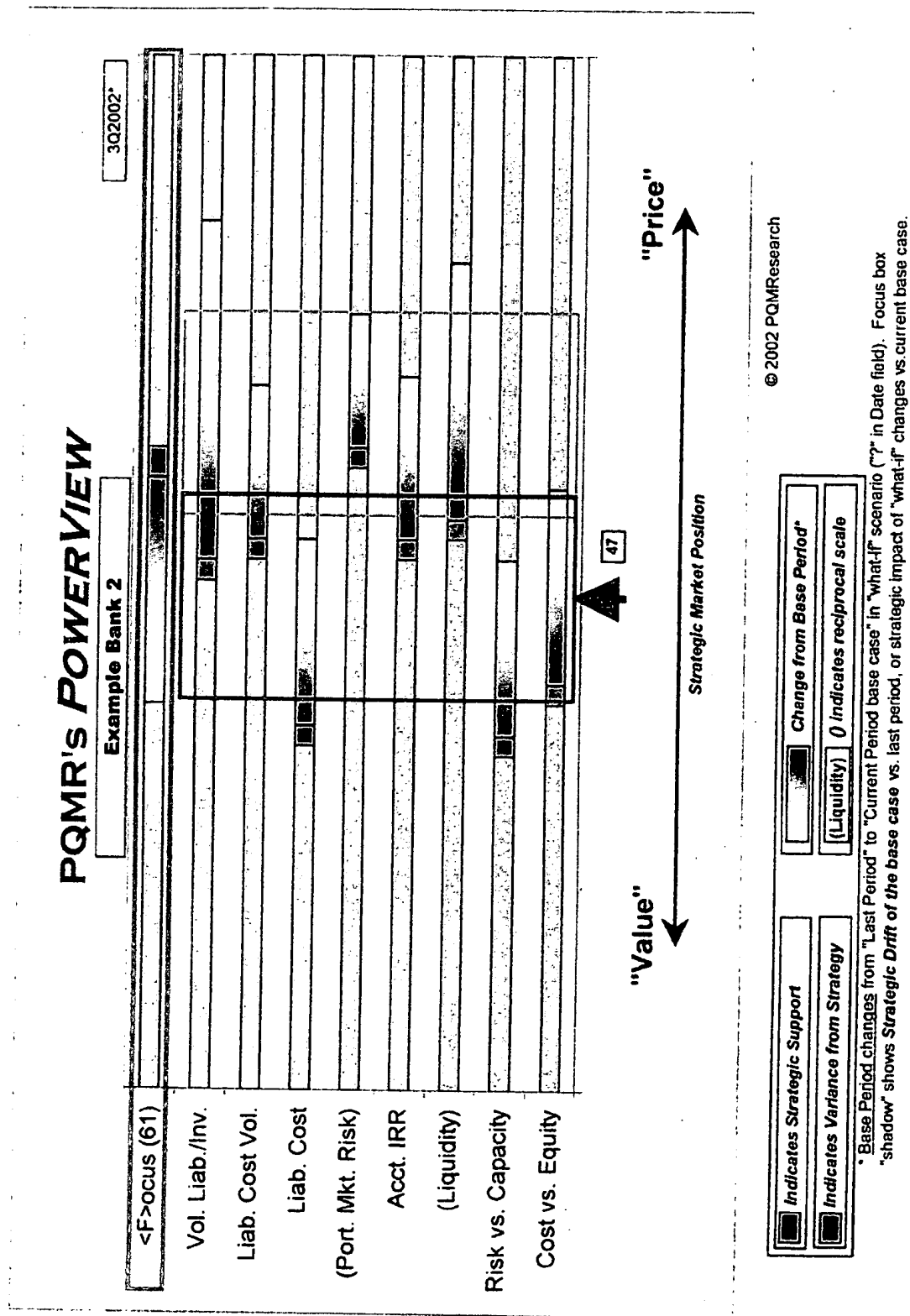


FIG. 10

